



DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-985]

Xanthan Gum from the People's Republic of China: Preliminary Results of the Antidumping Duty Administrative Review, Partial Rescission of the Antidumping Duty Administrative Review, and Preliminary Determination of No Shipments; 2020-2021

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that the exporters subject to this antidumping duty (AD) administrative review did not make sales of subject merchandise at less than normal value, and that one company (Shanghai Smart Chemicals Co., Ltd. (Shanghai Smart)) had no shipments of subject merchandise during the period of review (POR) July 1, 2020, through June 30, 2021. In addition, we are rescinding this review with respect to CP Kelco (Shandong) Biological Company Limited (CP Kelco Shandong). Interested parties are invited to comment on these preliminary results.

DATES: Applicable [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Reginald Anadio, AD/CVD Operations, Office IV, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3166.

SUPPLEMENTARY INFORMATION:

Background

On July 1, 2021, Commerce published in the *Federal Register* a notice of opportunity to request an administrative review of the AD order on xanthan gum from the People's Republic of China (China).¹ Commerce published the *Initiation Notice* of this administrative review on

¹ See *Xanthan Gum from the People's Republic of China: Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order*, 78 FR 43143 (July 19, 2013) (*Order*); and *Antidumping or Countervailing*

September 7, 2020.² For details regarding the events that occurred subsequent to the initiation of the review, *see* the Preliminary Decision Memorandum.³ The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>. A list of topics discussed in the Preliminary Decision Memorandum is included in the appendix to this notice.

On March 3, 2022, Commerce extended the deadline for these preliminary results to July 29, 2022.⁴

Scope of the *Order*

The product covered by the *Order* includes dry xanthan gum, whether or not coated or blended with other products. Xanthan gum is included in this order regardless of physical form, including, but not limited to, solutions, slurries, dry powders of any particle size, or unground fiber.

Merchandise covered by the scope of the *Order* is classified in the Harmonized Tariff Schedule of the United States at subheading 3913.90.20. This tariff classification is provided for convenience and customs purposes; however, the written description of the scope is dispositive.

A full description of the scope of the *Order* is contained in the Preliminary Decision Memorandum.

Preliminary Determination of No Shipments

Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review, 86 FR 35065 (July 1, 2021).

² *See Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 86 FR 50034 (September 7, 2021) (*Initiation Notice*).

³ *See* Memorandum, "Decision Memorandum for the Preliminary Results of the Eighth Antidumping Duty Administrative Review of Xanthan Gum from the People's Republic of China," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

⁴ *See* Memorandum, "Xanthan Gum from the People's Republic of China: Extension of Deadline for Preliminary Results of the 2020-2021 Antidumping Duty Administrative Review," dated March 3, 2022.

On September 13 and October 7, 2021, Shanghai Smart and Deosen Biochemical Ltd. (Deosen Biochemical), respectively, timely filed certifications that they had no exports, shipments, sales, or entries of subject merchandise to the United States during the POR.⁵ Based on an analysis of information from U.S. Customs and Border Protection (CBP) and Shanghai Smart's no shipment certification, Commerce preliminarily determines that Shanghai Smart had no shipments of subject merchandise during the POR.⁶

However, Commerce preliminarily determines that Deosen Biochemical had reviewable transactions during the POR.⁷ For additional information regarding this determination, *see* the Preliminary Decision Memorandum.

Consistent with Commerce's practice in non-market economy (NME) cases, we are not rescinding this administrative review with respect to Shanghai Smart but intend to complete the review and issue appropriate instructions to CBP based on the final results of the review.⁸

Partial Rescission of Administrative Review

Pursuant to 19 CFR 351.213(d)(1), Commerce will rescind an administrative review, in whole or in part, if all parties that requested a review withdraw their requests within 90 days of the publication date of the notice of initiation of the requested review in the *Federal Register*. On October 1, 2021, CP Kelco Shandong timely withdrew its request for administrative review.⁹ Because no other party requested a review of CP Kelco Shandong, consistent with 19 CFR 351.213(d)(1), Commerce is rescinding this review, in part, with respect to CP Kelco Shandong.

⁵ *See* Shanghai Smart's Letter, "Administrative Review of Antidumping Order on Xanthan Gum from the People's Republic of China: No Shipment Certification," dated September 13, 2021; *see also* Deosen Biochemical's Letter, "Xanthan Gum from the People's Republic of China: No Shipment Certification," dated October 7, 2021.

⁶ *See* Memorandum, "Antidumping Duty Administrative Review of Xanthan Gum from the People's Republic of China: Automated Commercial System Shipment Query," dated September 8, 2021.

⁷ *Id.*

⁸ *See Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties*, 76 FR 65694 (October 24, 2011); and the "Assessment Rates" section, *infra*.

⁹ *See* CP Kelco Shandong's Letter, "Xanthan Gum from the People's Republic of China: CP Kelco (Shandong) Biological Company Limited's Withdrawal of Request for Administrative Review," dated October 1, 2021.

Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(B) of the Tariff Act of 1930, as amended (the Act). We calculated export price and constructed export price in accordance with section 772 of the Act. Because China is an NME country within the meaning of section 771(18) of the Act, we calculated normal value in accordance with section 773(c) of the Act. For a full description of the methodology underlying these preliminary results, *see* the Preliminary Decision Memorandum.

Separate Rates

The statute and Commerce's regulations do not identify the dumping margin to apply to respondents not selected for individual examination when Commerce limits its examination in an administrative review pursuant to section 777A(c)(2) of the Act. Generally, Commerce looks to section 735(c)(5) of the Act, which provides instructions for calculating the all-others rate in an investigation, for guidance when determining the dumping margin for respondents that are not individually examined in an administrative review. Section 735(c)(5)(A) of the Act states that the all-others rate should be calculated by averaging the weighted-average dumping margins for individually-examined respondents, excluding dumping margins that are zero, *de minimis*, or based entirely on facts available. Where the dumping margins for individually examined respondents are all zero, *de minimis*, or based entirely on facts available, section 735(c)(5)(B) of the Act provides that Commerce may use "any reasonable method" to establish the estimated all-others rate.

We preliminarily calculated a zero percent dumping margin for the sole mandatory respondent, Fufeng.¹⁰ Consistent with the guidance in section 735(c)(5)(B) of the Act, we assigned this rate to the non-examined exporters that qualified for a separate rate. For additional information, *see* the Preliminary Decision Memorandum.

¹⁰ Fufeng refers to a single entity, which includes Neimenggu Fufeng Biotechnologies Co., Ltd. (aka Inner Mongolia Fufeng Biotechnologies Co., Ltd.), Shandong Fufeng Fermentation Co., Ltd., and Xinjiang Fufeng Biotechnologies Co., Ltd. (collectively, Fufeng). For additional information, *see* the Preliminary Decision Memorandum.

China-Wide Entity

Under Commerce's policy regarding the conditional review of the China-wide entity,¹¹ the China-wide entity will not be under review unless a party specifically requests, or Commerce self-initiates, a review of the entity. Because no party requested a review of the China-wide entity in this review, the entity is not under review, and the entity's rate (*i.e.*, 154.07 percent) is not subject to change.¹²

Aside from Shanghai Smart, for which we preliminarily find no shipments, and CP Kelco Shandong, for which this review is being rescinded, Commerce considers all other companies for which a review was requested and did not demonstrate separate rate eligibility to be part of the China-wide entity.¹³ For these preliminary results, we consider Nanotech Solutions SDN BHD to be part of the China-wide entity because it did not file a separate rate application or certification. For additional information, *see* the Preliminary Decision Memorandum.

Preliminary Results of Review

We preliminarily determine that the following weighted-average dumping margins exist for the POR July 1, 2020, through June 30, 2021:

Exporter	Weighted-Average Dumping Margin (Percent)
Neimenggu Fufeng Biotechnologies Co., Ltd. (aka Inner Mongolia Fufeng Biotechnologies Co., Ltd.)/Shandong Fufeng Fermentation Co., Ltd./Xinjiang Fufeng Biotechnologies Co., Ltd.	0.00
Meihua Group International Trading (Hong Kong) Limited/ Langfang Meihua Biotechnology Co., Ltd., /Xinjiang Meihua Amino Acid Co., Ltd.	0.00
Jianlong Biotechnology Co., Ltd. (formerly, Inner Mongolia Jianlong Biochemical Co., Ltd)	0.00
Deosen Biochemical (Ordos) Ltd./Deosen Biochemical Ltd.	0.00

¹¹ See *Antidumping Proceedings: Announcement of Change in Department Practice for Respondent Selection in Antidumping Duty Proceedings and Conditional Review of the Nonmarket Economy Entity in NME Antidumping Duty Proceedings*, 78 FR 65963 (November 4, 2013).

¹² See *Order*, 78 FR at 43144.

¹³ See *Initiation Notice*, 86 FR at 50035 ("All firms listed below that wish to qualify for separate rate status in the administrative reviews involving NME countries must complete, as appropriate, either a separate rate application or certification, as described below.").

Disclosure and Public Comment

Commerce intends to disclose to parties to the proceeding the calculations performed for these preliminary results of review within five days of the date of publication of this notice in the *Federal Register* in accordance with 19 CFR 351.224(b). Interested parties may submit case briefs to Commerce no later than 30 days after the date of publication.¹⁴ Rebuttal briefs, limited to issues raised in the case briefs, may be filed with Commerce no later than seven days after the date for filing case briefs.¹⁵ Parties who submit case briefs or rebuttal briefs in this proceeding are requested to submit with each argument: (1) a statement of the issue, (2) a brief summary of the argument, and (3) a table of authorities.¹⁶ Executive summaries should be limited to five pages total, including footnotes.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, within 30 days after the date of publication of this notice in the *Federal Register*. Requests for a hearing should contain: (1) the requesting party's name, address, and telephone number; (2) the number of individuals associated with the requesting party that will attend the hearing and whether any of those individuals is a foreign national; and (3) a list of the issues the party intends to discuss at the hearing. If a request for a hearing is made, Commerce will announce the date and time of the hearing. Parties should confirm by telephone the date and time of the hearing two days before the scheduled hearing date.

All submissions, with limited exceptions, must be filed electronically using ACCESS. An electronically filed document must be received successfully in its entirety by Commerce's

¹⁴ See 19 CFR 351.309(c)(1)(ii).

¹⁵ See 19 CFR 351.309(d).

¹⁶ See 19 CFR 351.309(c)(2) and (d)(2).

electronic records system, ACCESS, by 5:00 p.m. Eastern Time (ET) on the due date.¹⁷ Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information until further notice.¹⁸ Unless otherwise extended, Commerce intends to issue the final results of this administrative review, which will include the results of its analysis of issues raised in any briefs, within 120 days of publication of these preliminary results in the *Federal Register*, pursuant to section 751(a)(3)(A) of the Act.

Assessment Rates

Upon issuance of the final results of review, Commerce will determine, and CBP shall assess, ADs on all appropriate entries covered by this review.¹⁹ Commerce intends to issue appropriate assessment instructions to CBP 35 days after the publication of the final results of this review in the *Federal Register*. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

We will calculate importer/customer-specific assessment rates equal to the ratio of the total amount of dumping calculated for examined sales to a particular importer/customer to the total entered value of those sales, in accordance with 19 CFR 351.212(b)(1).²⁰ Where the respondent reported reliable entered values, Commerce intends to calculate importer/customer-specific *ad valorem* assessment rates by dividing the total amount of dumping calculated for all reviewed U.S. sales to the importer/customer by the total entered value of the merchandise sold to the importer/customer.²¹ Where the respondent did not report entered values, Commerce will calculate importer/customer-specific assessment rates by dividing the total amount of dumping

¹⁷ See 19 CFR 351.303 (for general filing requirements).

¹⁸ See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020).

¹⁹ See 19 CFR 351.212(b)(1).

²⁰ We applied the assessment rate calculation method adopted in *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings: Final Modification*, 77 FR 8101 (February 14, 2012).

²¹ See 19 CFR 351.212(b)(1).

calculated for all reviewed U.S. sales to the importer/customer by the total quantity of those sales. Commerce will calculate an estimated *ad valorem* importer/customer-specific assessment rate to determine whether the per-unit assessment rate is *de minimis*; however, Commerce will use the per-unit assessment rate where entered values were not reported.²² Where an importer/customer-specific *ad valorem* assessment rate is not zero or *de minimis*, Commerce will instruct CBP to collect the appropriate duties at the time of liquidation. Where either the respondent's *ad valorem* weighted-average dumping margin is zero or *de minimis*, or an importer/customer-specific *ad valorem* assessment rate is zero or *de minimis*,²³ Commerce will instruct CBP to liquidate the appropriate entries without regard to ADs.

For respondents not individually examined in this administrative review that qualified for a separate rate, the assessment rate will be equal to the weighted-average dumping margin assigned to the respondent in the final results of this review.²⁴

Pursuant to Commerce's refinement to its practice, for sales that were not reported in the U.S. sales database submitted by a respondent individually examined during this review, Commerce will instruct CBP to liquidate the entry of such merchandise at the dumping margin assigned to the China-wide entity.²⁵ Additionally, where Commerce determines that an exporter under review had no shipments of subject merchandise to the United States during the POR, any suspended entries of subject merchandise that entered under that exporter's CBP case number during the POR will be liquidated at the dumping margin assigned to the China-wide entity.

In accordance with section 751(a)(2)(C) of the Act, the final results of this review shall be the basis for the assessment of ADs on entries of merchandise covered by the

²² *Id.*

²³ See 19 CFR 351.106(c)(2).

²⁴ See *Drawn Stainless Steel Sinks from the People's Republic of China: Preliminary Results of the Antidumping Duty Administrative Review and Preliminary Determination of No Shipments: 2014-2015*, 81 FR 29528 (May 12, 2016), and accompanying Preliminary Decision Memorandum, at 10-11, unchanged in *Drawn Stainless Steel Sinks from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; Final Determination of No Shipments: 2014-2015*, 81 FR 54042 (August 15, 2016).

²⁵ For a full discussion of this practice, see *Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties*, 76 FR 65694 (October 24, 2011).

final results of this review and for future deposits of estimated ADs, where applicable.

Cash Deposit Requirements

The following cash deposit requirements will be effective for all shipments of xanthan gum from China entered, or withdrawn from warehouse, for consumption on or after the date of publication of the notice of the final results of this administrative review in the *Federal Register*, as provided for by section 751(a)(2)(C) of the Act: (1) for companies granted a separate rate in the final results of this review, the cash deposit rate will be equal to the weighted-average dumping margin established in the final results of this review for the company (except, if the rate is zero or *de minimis*, then a cash deposit rate of zero will be required); (2) for previously investigated or reviewed China and non-China exporters not listed above that received a separate rate in a prior segment of this proceeding, the cash deposit rate will continue to be the existing exporter-specific rate; (3) for all China exporters of subject merchandise that have not been found to be entitled to a separate rate, the cash deposit rate will be the rate for the China-wide entity, which is 154.07 percent; and (4) for all non-China exporters of subject merchandise that have not received their own rate, the cash deposit rate will be the rate applicable to China exporter(s) that supplied that non-China exporter. These deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping and/or countervailing duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping and/or countervailing duties occurred and the subsequent assessment of double ADs.

Notification to Interested Parties

Commerce is issuing and publishing these preliminary results in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.213(d)(4) and 351.221(b)(4).

Dated: July 29, 2022.

Lisa W. Wang,
Assistant Secretary
for Enforcement and Compliance.

Appendix

List of Sections in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Period of Review
- IV. Scope of the *Order*
- V. Partial Rescission of Administrative Review
- VI. Preliminary Determination of No Shipments
- VII. Selection of Respondents
- VIII. Single Entity Treatment
- IX. Discussion of Methodology
- X. Currency Conversion
- XI. Recommendation

[FR Doc. 2022-16819 Filed: 8/4/2022 8:45 am; Publication Date: 8/5/2022]